

**REMARKS**

Presently, claims 1-3, 5-20 and 22-23 are pending in this application.

A detailed discussion of the prior art references applied by the Examiner and Applicants' Arguments with respect thereto may be found in Applicants' Amendment filed March 14, 2008, which is incorporated herein by reference.

***Response to Examiner's Arguments***

Applicants respectfully traverse the Examiner's 35 USC §103 rejection set forth in the Final Office Action mailed June 12, 2008, over U.S. Patent No. 6,487,721 to Safadi (Safadi) in view of U.S. Patent No. 5,661,516 to Carles (Carles). At least for the following reasons, the Examiner's rejection is improper and Applicants respectfully request that the Examiner withdraw the rejection and issue a timely Notice of Allowance.

1. The combination of Carles and Safadi does not teach "receiving at least one request for advertisement presentation, the at least one request including advertisement characteristics comprising intended target market characteristics," as recited in independent claim 1. The Examiner argues that Safadi teaches this element because "Safadi (Column 6, Lines 29-41) teaches of the insertion command for a splice point whereby the commercial is then inserted." (Office Action, Page 4). The Examiner also argues that Safadi teaches a request including advertisement characteristics by contending that a "cue command also includes descriptive parameters such as rate." (Office Action, Page 4). While Safadi may teach an insertion command for a splice point and using cue commands including descriptive parameters such as rate and stream construct, Applicants respectfully point out that the cited portion of Safadi teaching descriptive parameters such as rate and stream construct relates to a technical description of the advertisement itself and does not teach or suggest anything with respect to "advertisement characteristics comprising **intended target market characteristics**." Consequently, the combination of Safadi and Carles does not teach "receiving at least one request for advertisement

presentation, the at least one request including advertisement characteristics comprising intended target market characteristics.”

2. Additionally, the combination of Carles and Safadi does not teach “selecting targeted advertisements for insertion into the advertisement opportunity, wherein the targeted advertisements are selected by comparing the intended target market characteristics to the subscriber characteristics and **comparing the avail bandwidth to the minimum bandwidth requirements.**” The Examiner argues that, “the embodiment of the system of Safadi in which re-quantization at the ad server did not take place or exist as such as in the system of Carles,” teaches this feature. (Office Action, Page 2-3). However, Safadi does not discuss any digital video embodiment wherein re-quantization at the ad server does not take place. The nearest discussion in Safadi of such an embodiment explains that commercials may be stored in a pre-compressed format and provided directly to the inserter (column 5, lines 17-20). Safadi does not discuss where or how such pre-compression takes place. However, if commercials are to be stored in a pre-compressed format, at some point compression must have taken place to force the targeted advertisement to fit the avail bandwidth based on the information in the cue tone. This results in Safadi forcing a pre-selected advertisement into the bandwidth of an avail. In contrast, the presently pending claims recite that an advertisement is selected by “**comparing the avail bandwidth to the minimum bandwidth requirements.**” Thus, the combination of Safadi and Carles does not teach selecting an advertisement based on available bandwidth in the absence of re-quantization at the server as argued by the Examiner.

3. Finally, such a combination is improper because omission of an element with retention of the element’s function is an indicia of unobviousness. (MPEP, 2144.04(II)(B)). The Examiner argues that in the proposed combination of Safadi and Carles, omitting re-quantization at the ad server of Safadi would require “selection of an advertisement matching the rate by comparing available bandwidth to the bandwidth requirements of the advertisement in order for a successful insertion to occur.” (Office Action, Page 3). The function of the re-quantization element in Safadi is for preparation of an advertisement for insertion into the advertisement slot. Therefore, Applicants

respectfully submit that by removing the re-quantization element, while retaining the function of placing properly quantized advertisements into ad slots, the present invention is unobvious over the proposed combination of Carles and Safadi.

***Improper Combination of Carles and Safadi***

1. The Examiner's proposed combination of Safadi and Carles, where the element of Safadi teaching re-quantization at the ad server is removed, is improper because the proposed modification renders the prior art unsatisfactory for its intended purpose. (MPEP 2143.01(V)). The Examiner argues that if "re-quantization at the ad server did not take place or exist as such as in the system of Carles, then cue tones which specify descriptive parameters pertaining to the program attributes that the commercial must match such as rate would have to result in a selection of an advertisement matching the rate by comparing available bandwidth to the bandwidth requirements of the advertisement in order for a successful insertion to occur." (Office Action, Page 3). The intended purpose of Safadi is to place digitized advertisements into an audiovisual bit stream. (Abstract). In order to achieve this goal, the system of Safadi requires that the advertisements be quantized or re-quantized prior to insertion (Safadi, Column 5, Lines 18-34). Because the Examiner's proposed modification would render Safadi unable to re-quantize advertisements to fit the advertisement slot, such modification of the prior art makes it unsatisfactory for its intended purpose. As such, there is no suggestion or motivation to make the proposed modification (*In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984)).
2. The Examiner's proposed combination is also improper because such combination would change the principle of operation of Safadi. (MPEP 2143.01(VI)). By removing re-quantization at the ad server, the system of Safadi would be incapable of re-quantizing advertisements to fit the advertisement slot. Even if the advertisements were stored ready for insertion, they would have had to be quantized at some point prior to being stored. Thus, the system of Safadi could not function without a quantizing element. Since the proposed modification of the Safadi and Carles references would change the principle of operation of the prior art invention being modified (i.e., Safadi), the

Application No. 10/759,620  
Reply to Final Office Action of June 12, 2008

teachings of the references are not sufficient to render the claims *prima facie* obvious. *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959).

Accordingly, since the combination of Safadi and Carles is improper, and such a combination would still not teach or suggest all elements of the independent claims, Applicants respectfully submit that independent claims 1, 19 and 22 are allowable over the combination of Safadi and Carles. Dependent claims 2, 3, 5 – 18, 20 and 23 are allowable at least by their dependency on independent claims 1, 19 and 22, respectively.

### *Conclusion*

In view of the foregoing remarks, Applicants respectfully submit that the Examiner's rejection has been overcome, and that the application, including claims 1-3, 5-20 and 22-23, is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejection and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

Date: 9/12/08 By: Andrew W. Spicer  
Andrew W. Spicer  
Registration No. 57,420  
Carlineo, Spicer & Kee, LLC  
2003 South Easton Road, Suite 208  
Doylestown, PA 18901  
267-880-1720

Customer No.: 81712